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Economic integration of first- and second-generation immigrants in the Swiss labour market: Does the reason for immigration make a difference?

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Abstract

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KEYWORDS
economic integration, immigration, income inequality, reason for immigration, Switzerland

1 | INTRODUCTION

Immigration has long been understood within the "push–pull" paradigm as a rational economic behaviour with individuals responding to a wage differential between markets (e.g., Bauer & Zimmermann, 1999; Massey, Arango, Hugo, Kouaouci, & Pellegrino, 1999; Passaris, 1989). That is, people migrate from places characterised by capital scarcity and labour abundance to places characterised by capital abundance and labour scarcity. In other words, people migrate from poor countries with depressed economic conditions to prosperous economies with abundant opportunities. They do so in order to receive higher economic returns on their human capital resources than the returns they could possibly receive in their home country. Indeed, according to the traditional view, immigration is an economically motivated behaviour with "economic immigrants" moving across space in search of better opportunities for upward social and economic mobility for themselves and for their children. However, pure economic migration is only part of the immigration story. Immigration behaviour can be also motivated by noneconomic considerations. Such immigrants, indeed, cannot be viewed as *economic immigrants*, and the rationale for their immigration cannot be defined in pure economic terms.

The vast majority of studies on reasons for migration has made a binary distinction between forced and voluntary immigration

(Lorenzen, 2017); that is to say the distinction was mainly between immigrants who search for better economic opportunities and immigrants who leave their homeland to avoid oppression, political prosecution, and violence. Indeed, the latter group of immigrants flees from places that are infected by dictatorship, wars, and corruption to seek refuge in countries dominated by democratic rules and peaceful conditions. Although such immigrants also search for a better life and prosperous economic conditions, they cannot be viewed as (purely) economic immigrants but are typically defined by host countries as political immigrants or refugees.

In addition to economic and political immigrants, there is another sizeable group of immigrants that arrives in the new homeland to marry, unite, or re-unite with a native spouse or family members. Apparently, family-based immigrants are different from economic immigrants both in terms of motivation and in terms of attributes. Although some studies have shown that these immigrants also aspire to achieve occupational and income upward mobility (especially in the case of highly skilled couples; see, e.g., Riaño, 2011; Tissot, 2016), such immigrants are typically not considered by host countries as (purely) economic immigrants (e.g., Riaño, 2011; Tissot, 2016). Nor are they viewed as political immigrants.

Likewise, a considerable number of immigrants initially arrive in the host country to pursue higher education; later on, however, for a variety of reasons they pursue employment and high salary in the new country. Hence, they choose to stay and reside there. Indeed, educational immigrants differ substantially from other immigrants in circumstances of arrival, motivations for migration, and sociodemographic attributes. They should be viewed, therefore, as a distinct group of immigrants.

Like economic immigrants, all groups of immigrants may strive for upward economic mobility. Thus, they try to convert their human capital resources into higher economic outcomes. However, they represent somewhat fuzzier categories than the group of economic immigrants and differ in terms of selectivity and socio-demographic attributes. According to Chiswick (1986), economic immigrants tend to be positively self-selected. They are more likely to have better skills that are transferable to the local labour market (Chiswick, Lee, & Miller, 2005). Other groups of immigrants, on the contrary, are less likely to be self-selected in terms of professional skills, because economic factors are not the main determinant of their migration. For example, Chiswick et al. (2005) demonstrate that the economic integration of skilled and economic immigrants is more successful than that of family-based immigrants and that of refugees. This is so because economic immigrants are positively selected and, thus, are able to convert human capital resources into financial resources more successfully than other immigrants. By contrast, political immigrants do not select themselves into the new country on the basis of economic considerations (e.g., Akesson & Coupland, 2018). Thus, differential self-selection mechanisms may affect the economic success of different immigrant groups in the labour market of the host society (see Jasso & Rosenzweig, 1990).

Whereas the main theoretical premise of the classical model of assimilation leads one to expect a uniform straight-line pattern for all groups, we contend that patterns of economic assimilation are likely to differ from one group of immigrants to another. More specifically, we expect the economic integration of economic immigrants to be the most successful and that of noneconomic, particularly political immigrants, to be the least successful. This expectation is derived from a growing body of research that underscores differences in economic integration across subgroups of immigrants (e.g., Alba & Nee, 2009; Aydemir, 2002; Büchel & Frick, 2004; Chiswick et al., 2005; Cobb-Clark, 1993; Colic-Peisker, 2011; Maskileyson & Semyonov, 2017: Semyonov, Raijman, & Maskileyson, 2015; Zhou, 1997). More specifically, researchers have long argued that the distinction between economic immigrants and family-based immigrants or refugees is particularly consequential for understanding differential patterns of integration among immigrants (e.g., Bevelander & Pendakur, 2014; Chiswick et al., 2005; Connor, 2010; Duleep & Regets, 1996).

However, the expectation stated above is only part of the integration story. Swiss migration policies are likely to create differential opportunities for different immigrant groups due to the dual system of migration rights for different types of immigrants (Blos, Fischer, & Straubhaar, 1997). The current migration policy system in Switzerland classifies foreigners differently according to their country of origin and skill level (Hercog & Sandoz, 2018). Existing legislation prioritises immigrants from the European Union (EU) and European Free Trade Association (EFTA) and is very restrictive toward those from other countries (Hercog & Sandoz, 2018). Moreover, the policies in Switzerland favour economic integration of skilled immigrants (who are considered to arrive on basis of economic reasons) while challenging or restricting the integration of other types of immigrants (Blos et al., 1997). Employment is a necessary prerequisite for visa admission and acquisition of a residential status. Therefore, economic immigration to Switzerland is selective and only possible when foreigners are able to provide a confirmation of an employment in a specific sector of economic activity and in a defined geographical area (Dhima, 1991; Fischer & Straubhaar, 1994). The Swiss government authorises entry visas if the job of a foreigner suits the urgent labour need or generally improves the situation at a local labour market. This often is expressed in admission of immigrants for employment in lower qualified jobs, mainly in the manufacturing industry, and the construction, food, and restaurant sectors (Dhima, 1991). It should be also noted that exceptions for entry visas in Switzerland are also made for refugees or for purposes of family reunification (Blos et al., 1997; Fischer & Straubhaar, 1994; Yeung, 2016).

It is also worth noting that studies suggest that immigrants do not migrate for only one reason but for a mixed variety of reasons (Lorenzen, 2017). While we agree with the idea that each individual migrant can have multiple-mixed motives for migrating, it is plausible to classify immigrants according to the *major* reason for migration as subjectively defined. In this study, we distinguish among four primary groups of immigrants based on their self-reported main reasons for migration: economic, political, family reunion, and educational. Each of the four major reasons is potentially subject to a different integration policy.[1]

In the analysis that follows, we examine the extent to which the economic assimilation of immigrants (captured by the size of income gain or loss in comparison to natives) differs between economic and noneconomic (political, family reunion, and educational pursuit) immigrants in Switzerland, a country which has received many immigrants in recent decades and where the share of people with a migration background is high compared to other European countries. To do so, we take advantage of the 2007 Swiss Health Survey (SHS; Swiss Federal Statistical Office, 2007a) dataset that provides detailed information on the reason for immigration while differentiating between the first, second, and third (i.e., Swiss natives) generations. Immigration status is defined along three major categories of nativity: first-generation immigrants (all foreign-born; hereafter FG), second-generation native-born (son or daughter of at least one foreign-born parent; hereafter SG), and Swiss majority group (sons and daughters of native-born parents; hereafter majority group).

We estimate income gains (or losses) among FG and SG immigrant groups (as indicators of economic integration) by reason for immigration and by gender as compared to the majority group. We also estimate the income gain or loss of noneconomic immigrants as compared to economic immigrants. The analysis enables us to provide a twofold contribution to the immigration literature. First, we expand the knowledge on patterns of immigrants' economic integration in the context of the Swiss labour market by gender and across generations. Second, we provide deeper insights and a better understanding of the role played by "reason for immigration" in shaping economic integration of immigrants.

2 | THE SWISS SETTING AND THE MIGRATION POLICY EFFECT

Switzerland is particularly interesting for studying the relations between motives for migration and economic integration because it has one of the largest shares of people with a migration background in Europe, with 20.7% of its permanent population foreign born (1,541,912), excluding short-term residents (65,159) and asylum seekers (48,193) (Swiss Federal Statistical Office, 2007b). However, despite the large proportion of the immigrant population in Switzerland, the state exercises a highly restrictive immigration policy in general and citizenship laws in particular, and makes it very difficult for immigrants to change their status (Riaño, 2003).

Swiss immigration policy represents a somewhat peculiar case as compared to other EU countries. First, Swiss policy is very selective and makes it difficult for non-EU/EFTA citizens to enter the country. Preference is usually given to Swiss and EU/EFTA labourers, and strict quotas regulate work permits. In practice, this means that nationals from non-EU/EFTA countries can only enter if they are highly skilled workers, executives, or specialists. Residency permits are awarded to non-EU/EFTA immigrants only if the person is a specialist, a manager, or a highly qualified professional, and only if no qualified Swiss or EU/EFTA nationals can be recruited (Schindall, 2009). By way of contrast, EU/EFTA immigrants can legally reside in Switzerland while searching for any type of employment (Schindall, 2009). Second, Switzerland has one of the most restrictive family reunion and refugee policies in Western Europe. Moreover, it is one of very few countries without a comprehensive anti-discrimination law. According to the Migrant Integration Policy Index (MIPEX; see Niessen, Huddleston, Citron, Geddes, & Jacobs, 2007) that compares 31 countries in Europe and North America in terms of six different strands of integration policies, in most aspects Switzerland is characterised as the country with the least favourable policy toward foreigners. According to the amendment to the asylum law of 2006, many asylum applicants coming from neighbouring transit countries have been systematically rejected and denied all social assistance (Schindall, 2009). Thus, immigrants usually do not have the same constitutional rights as Swiss citizens. Their exact status depends on the category of work permit they obtain (Blos et al., 1997).

Swiss migration policies may play a crucial role in creating different sets of opportunities for different categories of migrants. However, once a work permit has been issued, Swiss labour market policy is very passive (Blos et al., 1997). Foreigners are seen as temporary guests; therefore, there are no special policy measures that would facilitate integration of foreigners into the Swiss society (Blos et al., 1997). Initial migration policy and border management, however, may still exert a significant impact on the labour market performance of the immigrants with different groups facing differential levels of difficulties in the labour market (Piguet, 2006). In 2007, For example, the documented unemployment rate of Swiss citizens was 2.7%, while it reached 4% for immigrants from EU/EFTA countries and 14% for immigrants coming from non-EU/EFTA countries (Schindall, 2009). Moreover, non-EU/EFTA immigrants tend to be employed in lower-skilled jobs and live in poverty at higher rates than EU/EFTA immigrants and Swiss natives (Schindall, 2009).

To date only few empirical studies have examined the differential impact of the immigration policy on the immigrants' labour market performance. For instance, Blos et al. (1997) have provided a comprehensive comparison of the migration policy effect in Sweden and Switzerland. They estimated the degree to which migration policy influences immigrants' performance in the labour market and whether a migration policy which incorporates economic considerations is significant to migrants' economic success (Blos et al., 1997). Their main conclusion is that migration policy does matter, though less than expected (Blos et al., 1997). The authors report that after taking into account socioeconomic attributes of the immigrants, cultural proximity as well as educational skills have been key determinants of migrants' labour market success in Switzerland. Interestingly, the study shows that long-term immigrants from outside of the EU/EFTA have had, on average, higher skill levels than both natives and other immigrant groups. However, this group performed worse than most of the other migrant groups. The authors explain the lower level of performance of immigrants from outside EU/EFTA by a lack command of the language coupled with limited understanding of domestic social and cultural codes combined with structural constraints (e.g., employers' and native workers' attitudes, the existence of dual

labour markets) that discriminate against culturally different immigrants (Blos et al., 1997).

Another useful example has been presented by Müller and Tai (2010) who examined individual attitudes toward migration in Switzerland. They argue that negative attitudes toward immigrants can be explained by the existence of a dual labour market in the low-skill segment of the labour market, where "good" jobs are allocated because of efficiency–wage considerations. According to the authors, most immigrants in the guest-worker Swiss system hold low-wage jobs because of the legal constraints to hiring them in high-paying jobs and the reluctance of employers to offer well-paying jobs to immigrants due to the high probability of them returning to their home country. Likewise, Müller and Ramirez (2009) focused on segregation at the firm level. Their results revealed that firms with a large proportion of foreign unskilled workers pay low wages to all their employees and that segregation at the firm level accounts for almost the entire wage differential between identically skilled Swiss and foreign workers (Müller & Ramirez, 2009).

3 | REASON FOR MIGRATION AND ECONOMIC INTEGRATION

Scholars of immigrants' labour market integration have traditionally subscribed to the classic assimilation theory, as initially presented by Park and Burgess **(1921)** and subsequently elaborated upon by Gordon (1964), when studying social, cultural, and economic integration of immigrants in the host society. In general, the classic assimilation model suggests that upon arrival in the host country, immigrants experience hardship in finding financially rewarding employment. These difficulties are usually attributed to inadequate social, cultural, and professional skills, a lack of language proficiency, and limited access to social networks. However, with the passage of time and over generations, immigrants and their offspring tend to improve their skills, thereby advancing occupational status and increasing their income. Immigrants' economic assimilation, therefore, represents a monotonous progression with socioeconomic gaps between immigrants and native-born populations declining with the passage of time in the host country (Chiswick, 1978; Raijman & Semyonov, 1995; Schoeni, 1998; Semyonov, 1997).

A plethora of research in different countries demonstrates, however, that the success of the immigrants in the labour market of the host society can vary with the characteristics of the country of origin (e.g., Borjas, 1995; Chiswick, 1978, 1986; Duleep & Regets, 1997; Zimmermann, 1994). The more similar the characteristics are between the country of origin and the country of destination (especially in economic structure and culture), the more rapid and successful is the economic assimilation. Specifically, immigrants from countries that are similar to the host country with respect to economic development, labour market structure, the educational system, language, and culture are more likely to assimilate faster in the labour market of the host society. This expectation is a result of a better transferability of the human capital resources acquired by immigrants in their country of birth. Conversely, with lower transferability of human capital resources between the two countries there are higher earning disadvantages of the immigrants at their time of arrival to the destination country coupled together with their slower assimilation into its society. At the same time, it could well be the case that the dual system of migration rights in Switzerland, which creates more favourable conditions for the economic integration of EU/EFTA migrants than for non-EU/EFTA migrants (e.g., greater number of years to obtain permanent residence status for non-EU/EFTA migrants than for EU/EFTA migrants), further contributes to the more successful economic integration of economic immigrants who often come from EU/EFTA countries (Piguet, 2006; Schindall, 2009). Indeed, many Swiss employers favour migrants with permanent residence status (Schindall, 2009).

To date, only a few studies compared economic assimilation of immigrant groups classified by motive for immigration (for notable exceptions see Barrett, 1998; Connor, 2010; Green & Green, 1995; Duleep & Regets, 1996; Jasso & Rosenzweig, 1995). The scarcity of studies on the topic cannot be attributed to shortsightedness of researchers but rather to the scarceness of the data (e.g., Bevelander & Pendakur, 2014; Connor, 2010). It should be noted, however, that the few studies examining economic integration across different types of immigrants persuasively contend that, among other things, the motive for migration plays a major role in explaining differential levels of economic success of immigrants in the new country, with economic immigrants doing better than others (e.g., Bauer, Lofstrom, & Zimmermann, 2000; Bevelander & Pendakur, 2014; Hugo, 2014).

Students of immigration generally distinguish between two main motives for migration: *economic* and *noneconomic* (e.g., Bevelander & Pendakur, 2014; Chiswick et al., 2005; Connor, 2010; Duleep & Regets, 1996). According to this literature, economic immigrants are likely to seek earnings maximisation[2]; they decide to move if the expected difference in income between the destination and the origin countries is higher than the costs of migration (e.g., Borjas, 1982, 1987, 1990; Jasso & Rosenzweig, 1990). That is, economically driven immigrants arrive in the new country in order to convert human capital resources into higher economic outcomes. However, as indicated earlier, a growing body of research has criticised this binary division (Castles, 2010; Van Hear, Brubaker, & Bessa, 2009) because immigrants can be motivated by mixed reasons for migration (Lorenzen, 2017). In addition, immigrants categorised as noneconomic are likely to try to convert human capital into economic outcomes and obtain good jobs. The main difference between these groups is not only due to differential processes of self-selection but also that different groups may be potentially susceptible to different integration policies with policies favouring economic immigrants rather than noneconomic ones (Blos et al., 1997).

The few (and mostly rather dated) empirical studies that focused on the link between the reason for immigration and economic assimilation relied on data from Canada, United States, or Australia as well as several European countries that provide information on the admission criteria or visa category. For example, using Canadian data, Green

and Green (1995) demonstrated that family and political immigrants are more likely to be concentrated in less skilled occupations than economic immigrants. Jasso and Rosenzweig (1995), Duleep and Regets (1996), and Barrett (1998) compared immigrants who entered the United States under different admission criteria. Using the 1977–1990 Immigrant-Naturalisation Cohort (INC) data, Jasso and Rosenzweig (1995) were able to show that at the time of arrival, earning levels of immigrants who came to work in the United States were significantly higher than those who gained admission based on family ties. However, the data reveal that the gap in occupational status between the two groups had become significantly smaller with the passage of time in the United States due to higher rates of occupational downgrading among "employment immigrants" and occupational upgrading among "kinship immigrants."

Duleep and Regets (1996) reported similar systematic inverse relationships between initial earnings and subsequent earning growth. Specifically, they showed that immigrants admitted on the basis of family ties into the United States earn substantially less at the time of arrival than immigrants admitted on the basis of occupational skills. Kinship immigrants, however, experience a faster wage growth than immigrants admitted on the basis of skills. Connor (2010) compared employment, occupation, and earning outcomes of refugees versus other immigrants in the United States. His findings demonstrate that although refugees find jobs after the initial resettlement, the occupational level and subsequent rate of pay for these jobs are considerably lower than those of other immigrants.

The motive for migration as a factor influencing differential patterns of immigrants' economic assimilation was discussed by several researchers in the European context as well. For example, Winter-Ebmer (1994) demonstrated that immigrants who migrate to Austria for economic reasons (because they want to raise their standard of living) attain significantly higher wages than those who migrate on the basis of family ties or political reasons. Bevelander (2011) examined differences in employment trajectories in the Swedish labour market among resettled refugees, asylum claimants (asylum seekers who may subsequently obtain a residence permit), and immigrants who arrive for family reunification. He found that family immigrants are on a faster path to integration in terms of employment than asylum claimants, who in turn have faster employment integration than resettled refugees (Bevelander, 2011).

Several other studies also confirm that forced migrants represent a disadvantaged group not only in comparison to the native-born population but also in comparison to other economic and noneconomic immigrants. This consistent finding led researchers to coin the term "refugee gap" (e.g., Aydemir, 2011; Connor, 2010; Wilkinson, 2008). However, a recent study from the Netherlands (Bakker, Dagevos, & Engbersen, 2017) has revealed that, in the Netherlands, the refugee gap exists only at the beginning of refugees' working careers but diminishes with the passage of time.

The literature on the gender gap shows that modes of immigrants' economic integration into the labour market of the host society quite differs by gender and that immigrant women experience greater difficulties than immigrant men to integrate into the labour market of the host society (see, e.g., Riaño & Baghdadi, 2007 for Switzerland; Fleischmann & Höhne, 2013 for Germany; Raijman & Semyonov, 1997, 1998 for Israel; Logan & Rivera Drew, 2011 for the United States). Unfortunately, literature that explores the gender gap in economic integration while accounting for different reasons for immigration is currently very limited. This lacuna is unfortunate, because by investigating the gender gap by reason for immigration we could better understand the specific challenges that each group faces upon immigration. Therefore, in the analysis that follows, we distinguish between men and women to explore whether and to what extent immigrants' labour market assimilation, as shaped by motives of immigration, differs across gender groups while accounting for the potential impact of policies in the country of destination.

4 | RESEARCH QUESTIONS AND EXPECTATIONS

We are interested in determining the answer to the following question: Do immigrants in Switzerland who define themselves as economic immigrants fare better than other immigrant groups in terms of income attainment? Subsequently, in the analysis that follows, we examine whether and to what extent the size of the income disparity (as an indicator of economic integration) between the majority group and immigrants is influenced by the motive/reason for migration. We distinguish between economic and noneconomic immigrant subgroups according to the reason/motive for migration: (1) political persecution and/or war (hereafter—political immigrants); (2) economic reasons (hereafter—economic immigrants); (3) living with a partner and/or reunifying with the family (hereafter—family reunion immigrants); and (4) pursuing an educational/training programme (hereafter—educational immigrants).

Reviewing the studies discussed at the outset of this article leads us to the following expectations: First, according to the classic assimilation model, we expect that economic disadvantages of immigrants (compared to natives) are likely to be less pronounced in the SG than in the FG. SG immigrants are more acquainted with the country, its system, labour market, language, and culture than their parents were, and thus they are likely to perform more similarly to the majority group in the labour market compared to the performance of their parents. Furthermore, for the reasons discussed above, we expect that the economic disadvantages, when compared to the majority group, are less pronounced among economic immigrants than among noneconomic immigrant groups. Third, we expect that when compared to the majority group of the same gender, income disadvantages of female immigrants will be higher than that of male immigrants for both FG and SG because of the difficulty that females face in the labour market, which may be particularly evident for female immigrants. In the analysis that follows, we put to test our theoretical expectations by estimating the economic costs (income loss or gain due to immigration when compared to natives) among FG and SG immigrants for the four immigrant categories. We estimate the costs separately for the different genders and reasons for immigration

groups as compared to the majority group. Notably, we define economic costs associated with immigration as an income gap between immigrants and the native population, which remains after controlling for relevant background factors. When the difference is in favour of immigrants, we view it as income gain, and when it is the opposite, we refer to it as a loss. The income loss is often referred to in the literature as penalty (Berthoud, 2000; Hasmath, 2012; Heath & Cheung, 2007; Maskileyson & Semyonov, 2017; Semyonov et al., 2015). When comparing a subgroup of immigrants to either the majority group or to the "economic immigrants," we refer to the gain (or loss) as an indicator of economic integration that can be attributed to the immigration status and the reason for immigration.

5 | DATA, VARIABLES, AND METHOD

5.1 | Data and variables

Data for the analysis were obtained from the 2007 Swiss Health Survey (SHS) conducted jointly by the Swiss Federal Statistical Office (SFSO) and the Institute MIS-Trend SA (Lausanne and Gümligen) (Swiss Federal Statistical Office, 2007a).[3] The SHS database represents a cross-sectional, nationally representative sample that provides information on the health status, health-relevant attitudes, behaviour, and living conditions of the population, the total personal earned income as well as detailed information on migration, labour force activity, and sociodemographic attributes (Calmonte, Galati-Petrecca, Lieberherr, Neuhaus, & Kahlmeier, 2005). The total sample size we analysed included 9,576 respondents between the ages of 21 and 65 years who were employed in the labour market. Share of excluded people at ages 21 to 65 years who were out of the labour force consisted of 21.00% (2,869). Among the FG and SG economic male immigrants, 12.00% were not in the labour force, and among the family, political, and educational FG and SG male immigrants these figures were 14.17%, 19.31%, and 14.29%, respectively. The share of female FG and SG immigrants who were out of the labour market was considerably higher. Specifically, among female economic immigrants, the percentage of not participating in the labour force was 22.79%, and among the family, political, and educational female immigrants this percentage was 30.16%, 29.13%, and 24.71%, respectively.[4]

In an attempt to analyse the data by origin, we differentiated between EU/EFTA and non-EU/EFTA origin of the immigrants. Non-European immigrants included mostly those coming from the Middle East, Africa, South America, and the Far East (i.e., mainly economically less developed countries compared to EU/EFTA countries). The total number of non-EU/EFTA immigrants in the sample comprised 524 FG and only 27 SG immigrants. The majority of male and female migrants come to Switzerland from the EU/EFTA areas. Non-EU/EFTA immigrants represent a smaller share of the immigrants entering Switzerland (30.57% and 27.86% of FG men and women, respectively). The highest share of non-EU/EFTA was found among FG political immigrants (83.67% and 59.68% of FG men and women, respectively).

Data were collected via telephone and written questionnaires. The survey was conducted in two stages: During the first stage, a random sample of persons residing in Switzerland with a landline telephone number was interviewed on the phone using computer assisted telephone interviews (CATI). During the second stage, the persons who were interviewed by telephone were sent a paper and pencil questionnaire.

The question measuring *reason for immigration* queried for the subjectively assessed main reason a respondent or his/her parents came to Switzerland. The response was defined by four major categories[5]: (1) because of political persecution and/or war; (2) for economic reasons; (3) to live with the partner and/or family; and (4) to pursue an educational/training programme. *Generational status* of the immigrant was defined along three major categories of nativity: FG, SG, and majority group.

In addition, we selected a series of variables pertaining to sociodemographic characteristics of respondents and human capital resources as predictors of personal earned income from work. These variables are traditionally used in models estimating the economic assimilation of immigrants (e.g., Semyonov et al., 2015). The sociodemographic attributes included age and age squared (in years); years since migration (in years); household size; citizenship status (citizen = 1, noncitizen was the reference category); health status (ranging between 1 = poor subjective health and 5 = excellent subjective health); rural residence status (with rural area = 1, and not in a rural area as the reference category); marital status (with married = 1, and 0 otherwise). The human capital resources included education, occupational status, and number of hours of work per week. Education was represented by two dummy variables: (a) lower education (not completed secondary education or lower) and (b) academic education (tertiary education). Intermediate education (completed secondary or postsecondary nonacademic education) served as the reference category. Occupational status was defined by three dummy variables indicating whether one was employed as (a) a worker, (b) a small-time entrepreneur, or (c) a clerk, with (d) professional and managerial occupations serving as the reference category. Annual hours of work were presented in number of hours. Differences among immigrant's countries of origin were introduced by including gross domestic product (GDP) of country of origin (transformed as natural logarithm).

Immigrant's *personal monthly income*, which serves as the dependent variable and as an indicator for economic integration, was defined as the total earned income (in Swiss Francs [CHF]) from work during the last month prior to the survey. For a detailed definition of all the variables included in the analysis, see Appendix B.

5.2 | Method of Estimating the Income Gain/Loss of Immigration as an Indicator of Economic Integration

In order to estimate the income gain/loss, we *decomposed* the mean difference between the groups via the use of regression equations for males and females separately (see Semyonov et al., 2015). The analysis includes two main parts: (1) In the first part we compared each

subgroup of immigrants to the majority population group (i.e., Swiss natives whose parents were also born in Switzerland); (2) to take all immigration-related attributes into account, we focused only on immigrants and compared noneconomic immigrants to economic immigrants (i.e., the advantaged immigrant group). The analysis is presented for men and women separately.

The decomposition was performed by first estimating the expected mean income of immigrant groups of the FG and SG, *had the income of these groups been determined exactly like that of the reference group* (i.e., majority group or economic immigrants of the same gender and immigration generation)[6] according to the following notation (1):

$$\hat{Y}_{mg} = A_g + \sum B_{tg} \times \bar{X}_{mg} \quad (1)$$

where $\hat{Y}_{mg}$ represents the expected mean income of the (FG or SG) immigrant group (mg); the term $\bar{X}_{mg}$ represents a vector of the mean characteristics of a specific immigrant group. A_g and B_{tg} represent the intercept and the regression coefficient vector obtained from a regression equation predicting income of the majority group or economic immigrants of the same gender group (i.e., the reference group).

After estimating the expected income of the subgroup, the "cost" is obtained by subtracting the expected mean income ($\hat{Y}_{mg}$) from the actual mean income of the male or female immigrant subgroup (Y_{mg}). The regression equation includes age, age squared, education, occupational status, marital status, hours of work, household size, health status, and rural/urban region of living. The difference between the observed (actual) income of each immigrant group serves as the estimate of the gain or loss (C) and is expressed by the following formulation:

$$C = Y_{mg} - \hat{Y}_{mg} = Y_{mg} - \left(A_{tg} - \sum B_{tg} \times \bar{X}_{mg}\right) \quad (2)$$

C, then, serves as a proxy of the gain or loss that a group of immigrants (either FG or SG) experienced due to immigration.

6 | ANALYSIS AND FINDINGS

6.1 | Descriptive overview

In Tables 1a and 1b we display a descriptive overview with the mean values (or percentage) of the socioeconomic and demographic characteristics of the employed males and females in the sample. The information is presented by reason for immigration and by generation (i.e., FG, SG, and majority group). We only present cells with more than 30 units. The data displayed in Tables 1a (for males) and 1b (for females) reveal meaningful differences across the subgroups.

Table 1a shows that among FG males, the average observed monthly income of political, economic, and family reunion immigrants is lower than that of the majority group. However, FG immigrant men who arrived for educational reasons display *higher* income than that of Swiss native males. Curiously, the picture changes among SG. Not only are the incomes of children of economic and family reunion immigrants still lower than that of Swiss native men, but also the income of children of educational immigrants (unlike their parents) is lower than that of the majority group. In fact, SG males of economic and noneconomic immigrant groups report, on average, lower income than that reported by Swiss native men.

Among immigrant women, the picture looks somewhat different, as Table 1b demonstrates. In all cases, with the exception of FG family reunion female immigrants, the income of FG and SG is higher than that of Swiss female natives. Indeed, in the SG, the income of all immigrants surpasses that of Swiss native women.

When summing up the descriptive findings regarding income differentials between groups of immigrants classified by reason for immigration, it appears that among FG men, educational immigrants are characterised by the highest level of income and FG political immigrants are characterised by the lowest level of income. Among SG men, economic and educational immigrants earn most. Among female FG and SG immigrants, the income of educational immigrants is the highest.

Yet the immigrant groups differ considerably not only by their income level but also by sociodemographic attributes. For example, FG and SG male educational immigrants have the highest level of education and share in professional and managerial occupations, while political immigrant men (FG) the lowest. FG educational male immigrants are the healthiest, while political immigrants the least healthy. FG male political immigrants originate from relatively disadvantaged countries in terms of GDP, followed by the economic immigrants who also emigrate from countries with a lower average GDP. Finally, it is also interesting to note that Swiss citizenship is not always associated with the length of stay in Switzerland. For example, despite the lowest rate of citizenship (31%), the group of FG economic immigrant men has, on average, lived in Switzerland longer than any other immigrant group (23 years). The group of FG political immigrant men has the highest percentage of Swiss citizens (51%).

The educational level of FG educational female immigrants is the highest. Political FG female immigrants are characterised by the lowest level of reported subjective health, and educational female immigrants have the highest share in professional and managerial occupations.

Political and family female FG immigrants are from the poorer countries as compared to economic and educational immigrants. Finally, the group of FG political immigrant women has the highest percentage of Swiss citizens (76%) who have also lived in Switzerland the longest (29 years). The lowest citizenship rate is found for FG economic immigrant women (44%) who have remained in the country longer (25 years) than educational or family reunion immigrants.

Although the mean income differences associated with immigrant status and reason for immigration discussed above are meaningful, it

TABLE 1a Socioeconomic and sociodemographic characteristics (means or percentages) by generation and reason for immigration

		FG				SG		
	Majority group	Political	Family	Educational	Economic	Family	Educational	Economic
Personal monthly income, in CHF, mean (sd)	6,428.26 (4,179.57)	4,700.11 (1,947.12)	6,070.9 (5,386.53)	7,037.61 (3,070.04)	6,165.55 (5,508.38)	5,641.18 (3,194.49)	6,314.47 (2,570.44)	6,284.05 (4,563.86)
Age, mean (sd)	44.25 (11.51)	40.91 (9.51)	43.31 (9.29)	42.00 (9.92)	41.76 (10.01)	37.30 (11.10)	38.46 (9.24)	38.07 (8.53)
Age squared, mean (sd)	2090.54 (1016.92)	1763.03 (825.10)	1961.35 (820.81)	1861.47 (871.40)	1843.68 (862.96)	1511.89 (912.01)	1562.51 (770.14)	1522.05 (670.98)
Education								
Lower education, %	3.13	19.39	10.90	3.92	17.32	3.70	7.69	3.69
Intermediate education, %	55.87	55.10	44.87	38.24	49.16	62.97	51.28	63.13
Higher education, %	41.00	25.51	44.23	57.84	33.52	33.33	41.03	33.18
Occupational status								
Worker, %	26.45	55.67	34.42	21.78	36.89	22.22	20.51	29.49
Small entrepreneur, %	16.03	8.25	12.34	5.94	8.99	9.26	7.69	10.14
Clerk, %	10.75	6.19	9.74	7.92	15.36	16.67	12.82	13.82
Professional and managers, %	46.77	29.89	43.50	64.36	38.76	51.85	58.98	46.55
Hours of work, mean (sd)	42.03 (10.97)	41.41 (8.41)	40.14 (9.57)	40.26 (6.69)	41.16 (7.88)	40.63 (9.83)	39.79 (6.78)	42.22 (7.48)
Marital status								
Not married, %	42.91	20.62	37.82	43.14	38.43	62.96	64.10	50.23
Married, %	57.09	79.38	62.18	56.86	61.57	37.04	35.90	49.77
Household size, mean (sd)	2.59 (1.34)	3.41 (1.46)	2.66 (1.28)	2.54 (1.40)	2.77 (1.42)	2.26 (1.26)	2.21 (1.30)	2.51 (1.33)
Citizenship status								
Not a citizen, %	0.00	48.98	55.13	56.86	68.90	5.56	10.26	31.80
Citizen, %	100.00	51.02	44.87	43.14	31.10	94.44	89.74	68.20
Health, mean (sd)	4.15 (0.56)	4.08 (0.59)	4.19 (0.63)	4.25 (0.55)	4.14 (0.65)	4.20 (0.59)	4.15 (0.63)	4.15 (0.47)
Rural residence status								
Urban, %	62.19	85.71	80.77	76.47	78.03	87.04	71.79	68.66
Rural, %	37.81	14.29	19.23	23.53	21.97	12.96	28.21	31.34

(Continues)

TABLE 1a (Continued)

	Majority group	FG				SG		
		Political	Family	Educational	Economic	Family	Educational	Economic
Years since migration, mean (sd)	–	20.18 (10.86)	19.97 (14.37)	20.20 (12.68)	23.48 (14.90)	–	–	–
GDP of country of origin (ln), mean (sd)	10.81 (0.00)	9.95 (1.11)	10.46 (0.53)	10.46 (0.64)	10.38 (0.52)	10.81 (0.00)	10.81 (0.00)	10.81 (0.00)
From EU or EFTA countries, %	100.00	16.33	64.10	70.59	80.45	92.59	89.74	95.85
Not from EU or EFTA countries, %	0.00	83.67	35.90	29.41	19.55	7.41	10.26	4.15
N	3,576	98	156	102	537	54	39	217

Note: Men, employed, aged 21–65 years. Political SG is not presented because $N < 30$.
Abbreviations: FG = first-generation immigrants; SG = second-generation immigrants. sd = standard deviation. EU = the European Union; EFTA = European Free Trade Association.

is not clear whether and to what extent income gain/loss between subgroups of immigrants and the majority group can be attributed to immigration status or to variations in sociodemographic characteristics. Therefore, in the analysis that follows, we decompose the mean income gaps between each subgroup of immigrants and the majority group to estimate the portion of the income gap that is attributed to immigrant status after controlling for differences in socioeconomic and human capital attributes.

6.2 | Income gain/loss comparing FG and SG immigrants to the majority group

Next, we examine the income gain/loss of immigrants by reason for immigration, generation, and gender. Tables 2a and 2b present the calculations for men and women, respectively. We present, for each group, the actual mean earned income in the first row, and their predicted mean income had they been born a Swiss native in the second row. In the third row, we present the calculated difference between the two, that is, the estimated gain/loss that can be attributed to immigration. In each table, we present a combined group of noneconomic immigrants (i.e., political, family, and educational), the noneconomic immigrant subgroups in detail, and economic immigrants.

The results of the analysis in Table 2a that pertains to male immigrants reveal that the combined group of noneconomic male immigrants experiences income loss in both generations (510 CHF and 155 CHF for FG and SG, respectively). Looking at the detailed resolution of the noneconomic subgroups, political immigrants experience the largest income penalty as compared to the majority group (1,293 CHF for FG). We should also note that results for SG noneconomic immigrants, where $N < 30$, are not presented. Family immigrants also experience financial loss in both generations (397 CHF and 267 CHF for FG and SG, respectively). Interestingly, and contrary to our expectations, the subgroup of educational immigrants is the only noneconomic group to actually *gain* income due to immigration as compared to the majority group. The income gain of educational immigrant men (compared to the majority group) increased from 60 CHF in the FG to 212 CHF in the SG.

In line with our expectations, economic immigrants actually *gain* income due to immigration as compared to the majority group. In other words, had the income of economic immigrant men been determined exactly as the income of the comparable Swiss male majority group, their income would have been actually lower than their actual income. More specifically, as compared to Swiss native men, the gain among economic FG immigrant men consisted of 65 CHF, and the gain of the SG economic immigrant men amounted to 289 CHF.

The findings for female immigrants were somewhat different from those obtained for men. All groups of FG immigrant women experienced a penalty as compared to native Swiss women. The data in Table 2b show that the earning penalties among FG females were especially substantial for women in the family reunion and educational

TABLE 1b Socioeconomic and sociodemographic characteristics (mean or percentage) by generation and reason for immigration

		FG				SG	
	Majority group	Political	Family	Educational	Economic	Family	Economic
Personal monthly income, in CHF, mean (sd)	3,524.41 (2531.96)	3,682.11 (2,566.30)	3,267.67 (2,152.08)	4,304.20 (2,646.73)	3,686.74 (2,198.33)	3,789.08 (1,916.92)	4,000.22 (3,655.74)
Age, mean (sd)	43.43 (11.50)	43.50 (10.83)	42.13 (10.71)	41.30 (11.02)	42.18 (10.39)	37.98 (10.64)	37.55 (8.15)
Age squared, mean (sd)	2018.80 (997.73)	2007.69 (948.16)	1889.47 (940.96)	1825.78 (953.82)	1886.43 (896.83)	1554.20 (851.65)	1476.32 (630.62)
Education							
Lower education, %	7.23	14.52	14.24	5.77	17.84	2.27	5.76
Intermediate education, %	64.82	51.61	51.46	37.50	55.87	67.05	65.84
Higher education, %	27.95	33.87	34.30	56.73	26.29	30.68	28.40
Occupational status							
Worker, %	16.46	24.19	22.55	15.84	26.59	18.18	14.40
Small entrepreneur, %	9.95	4.84	13.73	5.94	8.47	4.55	7.00
Clerk, %	31.48	20.97	24.84	17.82	24.47	43.18	34.57
Professional and managers, %	42.11	50.00	38.88	60.40	40.47	34.09	44.03
Hours of work, mean (sd)	28.56 (13.80)	30.31 (13.07)	28.99 (13.57)	35.59 (15.62)	31.61 (12.62)	30.88 (12.04)	31.17 (12.92)
Marital status							
Not married, %	50.93	45.16	34.63	52.88	46.71	64.77	52.26
Married, %	49.07	54.84	65.37	47.12	53.29	35.23	47.74
Household size, mean (sd)	2.40 (1.26)	2.68 (1.29)	2.65 (1.22)	2.25 (1.19)	2.51 (1.26)	2.35 (1.21)	2.58 (1.23)
Citizenship status							
Not a citizen, %	0.00	24.19	50.49	49.04	56.10	1.14	18.93
Citizen, %	100.00	75.81	49.51	50.96	43.90	98.86	81.07
Health, mean (sd)	4.14 (0.57)	3.97 (0.51)	4.08 (0.65)	4.17 (0.57)	4.04 (0.61)	4.03 (0.51)	4.14 (0.54)
Rural residence status							
Urban, %	65.08	79.03	77.35	87.50	77.70	77.27	76.54
Rural, %	34.92	20.97	22.65	12.5	22.3	22.73	23.46
Years since migration, mean (sd)	–	29.26	18.37	19.71	25.85	–	–
	–	(14.52)	(12.72)	(13.33)	(14.41)	–	–
GDP of country of origin (ln), mean (sd)	10.81 (0.00)	10.36 (0.91)	10.44 (0.57)	10.47 (0.60)	10.47 (0.47)	10.81 (0.00)	10.81 (0.00)
From EU or EFTA countries, %	100.00	40.32	65.70	74.04	80.99	97.73	97.94
Not from EU or EFTA countries, %	0.00	59.68	34.30	25.96	19.01	2.27	2.06
N	3,499	62	309	104	426	88	243

Note: *Women*, employed, aged 21–65 years. Political and educational SG is not presented because $N < 30$.
Abbreviations: FG = first-generation immigrants; SG = second-generation immigrants. sd = standard deviation.

TABLE 2a Actual mean monthly income (row 1), predicted income (row 2), and gain/loss of income (in CHF) of first- and second-generation immigrants compared to the majority group obtained through an indirect standardisation procedure when immigrant subgroups are compared to the majority group (row 3)

	FG	SG
	All noneconomic	
Observed income	5,974	5,932
Predicted income compared to majority group	6,483	6,086
Income gain/loss compared to majority group	−510	−155
N of cases	*356*	*110*
	Political	
Observed income	4,700	–
Predicted income compared to majority group	5,993	–
Income gain/loss compared to majority group	−1,293	–
N of cases	*98*	–
	Family	
Observed income	6,071	5,641
Predicted income compared to majority group	6,468	5,908
Income gain/loss compared to majority group	−397	−267
N of cases	*156*	*54*
	Educational	
Observed income	7,038	6,314
Predicted income compared to majority group	6,978	6,103
Income gain/loss compared to majority group	60	212
N of cases	*102*	*39*
	Economic	
Observed income	6,166	6,284
Predicted income compared to majority group	6,101	5,995
Income gain/loss compared to majority group	65	289
N of cases	*537*	*217*

Note: *Men*, employed, aged 21–65 years The models control for age, age squared, education (whether low, middle, or high), occupation (whether a worker, small entrepreneur, a clerk, or professional and manager), hours of work, marital status (whether married or not), household size, health status, and whether one lives in a rural area, years since migration (for FG only). Political SG is not presented because $N < 30$.
Abbreviations: FG = first-generation immigrants; SG = second-generation immigrants.

TABLE 2b Actual mean monthly income (row 1), predicted income (row 2), and gain/loss of income (in CHF) of immigrants compared to the majority group obtained through an indirect standardisation procedure when immigrant subgroups are compared to the majority group (row 3)

	FG	SG
	All noneconomic	
Observed income	3,551	3,994
Predicted income compared to majority group	3,738	3,872
Income gain/loss compared to majority group	−187	122
N of cases	*475*	*137*
	Political	
Observed income	3,682	–
Predicted income compared to majority group	3,756	–
Income gain/loss compared to majority group	−74	–
N of cases	*62*	–
	Family	
Observed income	3,268	3,789
Predicted income compared to majority group	3,448	3,774
Income gain/loss compared to majority group	−181	15
N of cases	*309*	*88*
	Educational	
Observed income	4,304	–
Predicted income compared to majority group	4,592	–
Income gain/loss compared to majority group	−288	–
N of cases	*104*	–
	Economic	
Observed income	3,687	4,000
Predicted income compared to majority group	3,690	3,735
Income gain/loss compared to majority group	−3	265
N of cases	*426*	*243*

Note: *Women*, employed, aged 21–65 years. The models control for age, age squared, education (whether low, middle, or high), occupation (whether a worker, small entrepreneur, a clerk, or professional and manager), hours of work, marital status (whether married or not), household size, health status, and whether one lives in a rural area, years since migration (for FG only). Political and educational SG are not presented because $N < 30$.
Abbreviations: FG = first-generation immigrants; SG = second-generation immigrants.

immigrant categories (181 CHF and 288 CHF for these groups, respectively). However, the estimated values for the SG suggested that full economic convergence with the majority group occurred in all cases. Noneconomic and economic SG female immigrants not only succeeded to close the gap with the majority group but to surpass it (with a gain of 122 CHF and 265 CHF, respectively).

TABLE 3a Actual mean monthly income (row 1), predicted income (row 2), and gain or loss of income obtained through an indirect standardisation procedure when noneconomic immigrants are compared to economic immigrants, FG and SG, respectively (row 3)

	FG	SG
	All noneconomic	
Observed income	5,974	5,932
Predicted income compared to economic FG or SG immigrants	6,334	7,024
Income gain/loss compared to economic FG or SG immigrants	−361	−1,092
N of cases	*356*	*110*
	Political	
Observed income	4,700	–
Predicted income compared to economic FG or SG immigrants	5,432	–
Income gain/loss compared to economic FG or SG immigrants	−732	–
N of cases	*98*	–
	Family	
Observed income	6,071	5,641
Predicted income compared to economic FG or SG immigrants	6,426	6,844
Income gain/loss compared to economic FG or SG immigrants	−355	−1,203
N of cases	*156*	*54*
	Educational	
Observed income	7,038	6,314
Predicted income compared to economic FG or SG immigrants	7,062	6,934
Income gain/loss compared to economic FG or SG immigrants	−25	−620
N of cases	*102*	*39*

Note: *Men*, employed, aged 21–65 years, in CHF. The models control for age, age squared, years since migration, education (whether low, middle, or high), occupation (whether a worker, small entrepreneur, a clerk, or professional and manager), hours of work, marital status (whether married or not), household size, Swiss citizenship, health status, whether one lives in a rural area, and GDP of country of origin (ln), years since migration (for FG only). Political SG is not presented because $N < 30$.
Abbreviations: FG = first-generation immigrants; SG = second-generation immigrants.

TABLE 3b Actual mean monthly income (row 1), predicted income (row 2), and gain or loss of income obtained through an indirect standardisation procedure when noneconomic immigrants are compared to economic immigrants, FG and SG, respectively (row 3)

	FG	SG
	All noneconomic	
Observed income	3,551	3,994
Predicted income compared to economic FG or SG immigrants	3,817	4,041
Income gain/loss compared to economic FG or SG immigrants	−266	−47
N of cases	*475*	*137*
	Political	
Observed income	3,682	–
Predicted income compared to economic FG or SG immigrants	3,809	–
Income gain/loss compared to economic FG or SG immigrants	−127	–
N of cases	*62*	–
	Family	
Observed income	3,268	3,789
Predicted income compared to economic FG or SG immigrants	3,526	4,009
Income gain/loss compared to economic FG or SG immigrants	−258	−220
N of cases	*309*	*88*
	Educational	
Observed income	4,304	–
Predicted income compared to economic FG or SG immigrants	4,694	–
Income gain/loss compared to economic FG or SG immigrants	−390	–
N of cases	*104*	–

Note: *Women*, employed, aged 21–65 years, in CHF. The models control for age, age squared, years since migration, education (whether low, middle, or high), occupation (whether a worker, small entrepreneur, a clerk, or professional and manager), hours of work, marital status (whether married or not), household size, Swiss citizenship, health status, whether one lives in a rural area, and GDP of country of origin (ln), years since migration (for FG only). Political and educational SG are not presented because $N < 30$.
Abbreviations: FG = first-generation immigrants; SG = second-generation immigrants.

6.3 | Income gain/loss comparing noneconomic FG and SG immigrants to economic FG and SG immigrants

Findings of the decomposition analysis comparing noneconomic immigrants and economic immigrants (i.e., the most advantaged immigrant subgroup) are presented in Tables 3a and 3b. Using economic immigrants as a group of comparison allows us to control additionally for attributes such as years since migration and GDP of country of origin, variables that were not accounted for when compared to the majority group. Therefore, in Tables 3a and 3b, we report the results of analyses examining whether intergroup differences in income gain/loss between economic and noneconomic immigrants are net of differences in the characteristics of the immigrants. We compared, combined, and detailed noneconomic immigrant subgroups to economic immigrants, and these calculations are presented in Tables 3a and 3b for men and women, respectively.

Consistent with the previous analysis, noneconomic male immigrants experience economic loss in both generations. In other words, had the income of noneconomic immigrants been determined exactly the same way as the income of economic immigrant men, their

income would in fact have been higher than their actual attained income. More specifically, the results for men displayed in Table 3a show that the loss of noneconomic FG immigrants consisted of 361 CHF as compared to FG economic immigrants, and the loss of the SG noneconomic immigrants amounted to 1,092 CHF as compared to SG economic immigrants. In other words, the income penalty of noneconomic immigrant men increased threefold among SG immigrants.

More specifically for men, the financial loss of political FG immigrants was 732 CHF as compared to economic FG immigrants. The income penalty experienced by family reunion immigrants (compared to economic immigrants) increased from 355 CHF in the FG to 1,203 CHF in the SG. Similarly, the income penalty of educational immigrants increased from 25 CHF to 620 CHF (as compared to the respective economic immigrant group).

The findings for female immigrants were somewhat different than those obtained for men. Noneconomic immigrants also experienced economic loss in both generations in comparison to FG and SG economic immigrants, respectively. The income loss, however, among SG noneconomic immigrants was considerably smaller than the loss among the respective FG group (47 CHF vs. 266 CHF). All groups of FG noneconomic immigrants experienced a penalty as compared to economic FG immigrants. The data presented in Table 3b reveal that the earning penalties among FG females were especially substantial for women in the family reunion and educational immigrant categories (258 CHF and 390 CHF for these groups, respectively). Results for SG noneconomic immigrants, where $N < 30$, are not presented.

In an attempt to analyse whether disparate immigration policies toward immigrants of EU/EFTA and non-EU/EFTA origin were consequential for their economic integration, we decomposed the income gaps for the two groups of FG immigrants (see Appendix A). Due to the low number of cases of noneconomic immigrants, we pooled all FG noneconomic immigrants from non-EU/EFTA countries together, for men and women separately. We used economic immigrants of EU/EFTA and non-EU/EFTA origin as a group of comparison for noneconomic EU/EFTA and non-EU/EFTA immigrants, respectively. For both EU/EFTA and non-EU/EFTA groups, the results suggested that noneconomic immigrants are disadvantaged as compared to economic immigrants, also after holding their origin constant.

7 | SUMMARY AND DISCUSSION

The major goal of the present study was to examine whether the reason for immigration makes a difference: Do economic FG and SG immigrants fare better than FG and SG noneconomic immigrants? We examined economic immigrants and three subgroups (subjectively assessed as political, family reunification, or educational) of noneconomic immigrants. We analysed data pertaining to the Swiss context. The analysis focused on comparing FG and SG male and female immigrants. Two comparisons were conducted: The first focused on comparing four groups of FG and SG immigrants (classified by reason for immigration, economic and noneconomic) with the majority group and the second focused on comparing the three noneconomic FG and SG immigrant groups with the group of economic FG and SG immigrants.

The results reveal that the motive for immigration plays a major role in the process of labour market assimilation and that economic integration patterns were not uniform across male and female immigrants. First and foremost, immigrating due to *economic* reasons is likely to result in a *more successful economic integration* than noneconomic immigration. This was true for both male and female economic immigrants. More specifically, we found that male economic immigrants had an advantage in the Swiss labour market as compared to native Swiss citizens already in the FG and that female economic immigrants caught up with their male counterparts in the SG. Thus, immigrants with an economic motivation to migrate were generally able to realise their goals, and for women this economic assimilation process lasted until the SG.

Second, integration patterns differed substantially across male noneconomic immigration groups and across generations. Interestingly, educational male immigrants did almost as well as economic immigrants. This finding was puzzling given that educational immigrants may typically come to Switzerland for a defined period for the purpose of studying. The data suggest that they are well integrated in the labour market and that the children of those educational immigrants who settled in the country continued to do very well and even better than the comparable majority group. At the same time, FG male political and family immigrants experienced substantial economic losses. The income they earned was considerably lower than that of an average Swiss native with similar sociodemographic and human capital attributes. In addition, the income of male family immigrants did not converge to the majority group's income level, even in the SG.

The findings that pertain to economic integration of noneconomic immigrant females reveal penalties for all types of female immigrants in the FG as compared to their native Swiss counterparts. The difficulties in attaining successful economic outcomes are particularly evident for those women arriving in Switzerland for family reunion and educational reasons. In the SG, however, female immigrants have succeeded in *converging* to the income levels of the comparable local population. In other words, in the SG, the impact of immigration on economic attainment among women vanishes not only for economic but also for noneconomic female immigrants.

We suspect that these results might be related to the extremely restrictive Swiss immigration policies, especially with regard to family reunion and asylum seeking immigrants. These policies present significant difficulties particularly for FG immigrants. While Swiss policies toward family reunion and asylum seeking are demanding in terms of the conditions allowing these groups into the country, at the same time they do not encourage the economic integration of these group members. By way of contrast, EU/EFTA immigrants, who come to Switzerland primarily for economic reasons, have a priority on the job market with fewer limitations. These advantageous conditions allow economic immigrants to pursue their economic goals in the labour market more freely. It seems that immigration policies effectively hindered the social integration of FG female immigrants. Consequently,

female FG immigrants seem to be employed at levels well below their qualifications and attain lower returns on human capital resources as compared to Swiss women.

Interestingly, when comparing noneconomic immigrants to either FG or SG economic immigrants, among men, not only do noneconomic immigrants experience penalty, but the penalty is considerably higher in the SG than in the FG group. By way of contrast, among women, *SG noneconomic* immigrants are *less* disadvantaged than *FG noneconomic* immigrants (in comparison to female economic immigrants). Thus, while the economic integration gap between economic and noneconomic immigrants among males increases across generations, female noneconomic immigrants manage to decrease the gap with their economic counterparts.

Furthermore, holding the origin (EU/EFTA and non-EU/EFTA) constant did not alter the main conclusion: Noneconomic immigrants (both EU/EFTA and non-EU/EFTA) are economically disadvantaged in the Swiss labour market as compared to their respective economic immigrant groups. Based on these findings, we suggest that while migration policies might have an influence on the selection process, and while EU/EFTA immigrants may have more favourable conditions for integrating in the Swiss labour market, it seems that the reason for migration plays a major role in immigrants' economic integration. That is, economic immigrants fare better than the others in the Swiss labour market in terms of income attainment.

Notwithstanding the significance of the data, which contained valuable and rare information about the reason for immigration, our study is not free of limitations. First, our study focuses on those immigrants who are employed in the Swiss labour market. As a result, we excluded from the dataset respondents who indicated that they are out of the labour force. Thus, our study set the goal to investigate the economic integration of those in the labour force and not all immigrants altogether. Second, while the Swiss context is important and unique in Europe because of its high share of immigrants, patterns of immigrant integration in Switzerland may not be generalised to other immigration societies in Europe and elsewhere. Whether and to what extent economic immigrants are successful also in other European countries remains to be studied. Third, whereas we relied on data in which the respondents assessed their main reason of immigration themselves, it is very likely that immigrants actually arrived due to a mixture of reasons. Education and family immigrants were also likely to try to obtain better economic conditions, political immigrants were also looking for well-paid jobs, and economic immigrants might have also had other reasons to immigrate. The differentiation we used is nevertheless important because it reflects the subjective evaluation of the main reason of immigration, and it mirrors the dual Swiss policy toward economic and noneconomic immigrants. Indeed, whereas it is more favourable toward economic immigrants, it sets harder conditions for economic integration on other types of immigrants.

In summary, in this study we provide a twofold contribution to the immigration literature. First, we expanded the knowledge on patterns of immigrants' economic integration in the context of the Swiss labour market not only in the FG but also in the SG for both male and female immigrants. Second, we provide deeper insights into these phenomena, expanding the understanding of the role played by (subjectively assessed) motive behind migration behaviour in the economic integration of immigrants. More specifically, we find that the reason for immigration plays a crucial role in the process of labour market integration. Immigrants arriving in Switzerland due to economic reasons and employed in the labour market exhibit rapid economic integration thereby literally succeeding to fulfil their goal of economic prosperity. Despite some variations between immigrant men and women, we find that economic immigrants are likely to outperform the comparable native Swiss in attainment of economic outcomes not only in the first but also in the SG, whereas for many noneconomic immigrants, the path toward economic integration is arduous.

CONFLICT OF INTEREST STATEMENT

We have no conflict of interest to declare.

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DATA PROTECTION

SHS is administered by the Swiss Federal Statistics Office as a part of its legal mission. The use of fully anonymized individual data from this source is subject to specific data contracts.

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ENDNOTES

[1] While it could well be the case that the Swiss government categorises immigrants in a somewhat different way compared to the way immigrants categorise themselves, and while it is likely that immigrants arrive due to a mixture of reasons, it is safe to assume that in most cases the subjective self-categorization of immigrants as for their main reason of immigration is similar to the one attributed to them by the Swiss government.

[2] The focus of the present study is on material returns in the form of income. It should be noted, however, that in addition to income maximisation, immigrants might also seek other noneconomic returns.

[3] The German name for the dataset is "Bundesamt für Statistik, Schweizerische Gesundheitsbefragung 2007."

[4] Our study and conclusions focus thus on the economic integration of those immigrants who are successfully employed in the Swiss labour market.

[5] The fifth category "other" was omitted from the analysis.

[6] In practice, the mean values of the characteristics listed in the variables section of the immigrant population are inserted into the regression equation that predicts income of the reference population (i.e., majority group or economic immigrants).

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APPENDIX A.

Actual mean monthly income (row 1), predicted income (row 2), and gain or loss of income obtained through an indirect standardisation procedure when EU/EFTA or Non-EU/EFTA noneconomic FG immigrants are compared to economic FG immigrants, EU/EFTA or Non-EU/EFTA, respectively (row 3). Employed, aged 21–65 years, in CHF

	Men		Women	
	EU/EFTA	Non-EU/EFTA	EU/EFTA	Non EU/EFTA
Observed income	6,539	5,336	3,819	3,061
Predicted income compared to FG economic EU/EFTA or non-EU/EFTA	6,970	5,389	3,861	3,630
Income gain/loss compared to FG economic EU/EFTA or non-EU/EFTA	−431	−54	−42	−569
N of cases	*188*	*168*	*305*	*170*

Note: The models control for age, age squared, years since migration, education (whether low, middle, or high), occupation (whether a worker, small entrepreneur, a clerk, or professional and manager), hours of work, marital status (whether married or not), household size, Swiss citizenship, health status, whether one lives in a rural area, and GDP of country of origin (ln), years since migration.
Abbreviations: FG = first-generation immigrants; EU/EFTA = citizens of the European Union (EU) and European Free Trade Association (EFTA) countries.

APPENDIX B.

Definition of variables

Variable	Measurement
Personal monthly income	In CHF, personal net monthly income, again after deduction of compulsory social insurance contributions and pension fund contributions, plus or minus any alimony (maintenance) payments
Reason of immigration	Political reasons, economic reasons, family reasons, educational reasons
Generational status	First generation, second generation, majority group
Age of respondent	In years
Household size	Number of persons
Citizenship status	Citizen, not citizen
Health status	1–5, where 1 = poor subjective health and 5 = excellent subjective health
Rural residence	In a rural area or not in a rural area
Marital status	Married or otherwise
Gender	Male or female
Education	Lower education; academic education; intermediate education
Hours of work	Number of hours
Occupational status	Worker, small entrepreneur, clerk, professional and managerial occupations
Years since migration	In years, SG in Tables 3a and 3b was assigned the value 0
Gross domestic product of country of origin (GDP) (in ln)	GDP per capita, PPP (current international $), transformed as a natural logarithm. GDP is assigned based on the main nationality indicated by the person. Source: World Bank, 2007